

IN THE MATTER OF FACTFINDING

BETWEEN)
MARSHALLTOWN COMMUNITY SCHOOL)
DISTRICT,)
PUBLIC EMPLOYER,) HUGH J. PERRY, FACTFINDER
AND)
TEAMSTERS LOCAL NO. 238,) Recommendations issued:
EMPLOYEE ORGANIZATION.) September 3, 2003

2003 SEP -4 AM 11:40
PUBLIC EMPLOYMENT
RELATIONS BOARD

APPEARANCES:

FOR MARSHALLTOWN CSD:

Rex J. Ryden, Attorney

FOR TEAMSTERS LOCAL 238:

Kevin J. McCombs, Business Representative

YingTao Ho, Attorney

BACKGROUND

Teamsters Local 238 represents a bargaining unit comprised of some 41 operations and maintenance employees of the Marshalltown Community School District. The parties have been bargaining for a number of years and are concluding a 3 year contract, July 1, 2000 to June 30, 2003. Through bargaining and mediation, the parties have resolved all impasse issues with the exception of **Wages** (Article XIII) and **Insurance** (Article XII). They engage statutory fact-finding to resolve these two issues and have extended the time lines contained in the Public Employees Relations Act to complete impasse procedures. The parties agree that the wage and insurance provisions that result from factfinding or arbitration will be retroactive to July 1, 2003. The District has been paying insurance increases since July 1st. There are three other bargaining units in the District, a unit of Food Service Employees who are in the second year of a three year agreement, a unit of bus drivers and a teachers unit. The bus drivers and teachers are settled. The bus drivers and food service employees are also represented by Teamsters 238. A hearing was held at the Fisher Community Center in Marshalltown on August 22, 2003. In making the recommendations which follow, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

IMPASSE ISSUES

The issues for recommendation are **Wages** and **Insurance**.

CURRENT CONTRACT

Wages. The current contract provides for a two tier wage system. Employees hired prior to July 1, 1994 are on Tier I. Employees hired after that date are on Tier II. Tier II wages are measurably lower than those of Tier I. Tier II employees receive a \$.50/hour wage increase each six months and arrive at Tier I wage levels no later than after 5 years of employment with the District. Tier I wages are as follows: Grade 1 (Laundry) \$11.92/hour, Grade 2 (Custodian, Utility, Custodian/Grounds) \$14.22/hour, Grade 2A (Rover/Grounds) \$14.70/hour, Grade 3 (Middle School Head Custodian/Senior High Lead Custodian, Custodian Engineer, Maintenance Utility, Transportation Utility) \$15.17/hour, Grade 4 Engineer-Custodian \$15.31/hour, Grade 5 (Carpenter, Senior High Head Custodian, Electrician, Engineer, Plumber, Transportation Mechanic, Maintenance-Utility, Utility-Carpenter-Electrician, Athletic Grounds/Maintenance Utility) \$16.12/hour, Grade 6 (Supervisors, Buildings-Furnishings Maintenance, Mechanical Maintenance, Receiving-Warehouse, Technician-Plumbing and Heating, Transportation Mechanic, Head) \$16.55/hour. Tier II positions start at \$7.00/hour Grade I and move to \$7.75 hour at Grade III. Tier II Grades 4, 5 and 6 are based on experience but are paid no more than \$8.50/hour to start. In addition to the above hourly wages, employees are paid shift differentials, longevity, premium pay for skilled positions and overtime.

Insurance. The employees currently enjoy an Insurance program offered through The Teamsters Central States Health and Welfare Fund. There is distinction made between Tier I and II employees for insurance purposes. The employees have had this plan since July 1, 2000. Under the plan the District pays 100% of the single insurance premium (\$260.87/month) and all but \$177.00/month toward the cost of family insurance (\$601.47/month). Employees taking family insurance must pay \$177.00/month. The District pays the balance or \$424.47/month. These premiums increased by 33% for single to \$347.54/month for single and by 32% to \$792.57/month for family for the period July 1, 2003 to June 30, 2004. The projected premium increases will be 15% for each of following two years. Currently 24 employees take single health insurance and 15 are enrolled in the family program.

POSITIONS OF THE PARTIES

Wages

Both parties agree that the wages of Tier II employees should increase by \$.50/hour for each sixth months those employees remain with the District. The Union proposes that the Tier I

employees receive a 2% wage increase. In support of this position, the Union argues that such a wage increase is reasonable, measured against the increased cost of living (2.1%) and considering that these employees have received wage increases from \$.47/hour to \$.68/hour for the previous three years. They have not gone a year without a wage adjustment. Without some wage increase, these employees (Tier I) are in danger of taking home less wages next year than last considering the increases in health insurance and general cost of living increase. The Union argues that in the past the increased wage costs associated with Tier II employees have not been figured into the wage package and that the implementation of a two Tier wage system has saved the District millions of dollars in wages since its inception. It was the result of voluntary negotiations between the parties. The Union costs its wage proposal in the 6% range not including Tier I increases.

The District proposes that Tier II employees be allowed to advance as discussed above, but asks that the wages of Tier I employees be frozen for the next contract year. In support of this position, the District points out that the District's new money for the next year will amount to only 2.33% and that the dramatically escalating insurance costs discussed below will take all of the available monies to fund. The District introduced comparability data from the District's of Fort Dodge, Ames, Cedar Falls, Mason City and Ottumwa which indicated that the wages of Marshalltown employees compared favorably to similar employees in these other Districts. In fact, only Fort Dodge paid higher wages and benefits. Such will be true even if these employees (Tier I) received no increase for 2003-2004. The District costed its proposal (with insurance and Tier II increases factored in) at \$74,744.94 a 4.85 % increase over current costs. The District counts the Tier II increases as part of the total increase and contends that it has always included these increases in its cost calculations. The District pointed out that this settlement would be higher than its other three units.

INSURANCE

The Union proposes that the current insurance benefit remain unchanged and that the District continue providing 100% of the single benefit and all but \$177.00 of the family benefit. It notes that most other comparable District's pay all of their employee's single insurance and many pay more toward family insurance. The Union points out that over the past several years the District has a practice of paying all of an employee's single health insurance. The Union notes that if the District's proposal on insurance were adopted, these employees would actually receive less in wages and benefits.

The District proposes that it pick up 75% of the increased cost of health insurance and that the employees pay the balance of the increase. This would mean that an employee taking single insurance would pay \$21.67/month toward single insurance and the District would pay the balance or \$325.87/month. An employee taking family insurance would pay \$224.77/month and the District

would pay \$567.80/month. In support of its position, the District notes that Insurance costs are escalating out of control and that if it is required to maintain this benefit it is only fair to require these employees to shoulder some portion of the increased costs.

DISCUSSION

Wages. Ordinarily, these employees (Tier I) would receive a wage adjustment albeit modest this bargaining year, however, the fact that health insurance here is increasing by 32-33% must be considered. The data suggests that these employees wages compare favorably with their counterparts in other comparable Districts and this will be true even without a wage adjustment this year. It is appropriate for the District to include Tier II wage increases in its calculations

Insurance. It has been the history of the District to provide these employees with a fully paid single health insurance plan. To require the employees to pay a portion of their single insurance would be a departure from this practice. Most other Districts provide a fully paid single health plan. It seems appropriate to require these employees who take the family plan to pay some portion of the increased cost of that plan. That is the history of this benefit. Requiring the District to continue to pay 100% of the single insurance would add some \$6,000.00 to the cost of its proposal. While these recommendations will result in a higher percentage settlement than that achieved by the food service employees and bus drivers, those groups did not have to contend with dramatically escalating health insurance.

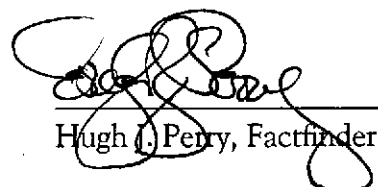
RECOMMENDATIONS

Based upon the above discussion, I make the following recommendations:

Wages - Tier I employees should receive no wage adjustment for the life of this contract, July 1, 2003 to June 30, 2004.

Insurance - The District should continue to provide a fully funded single health insurance plan for these employees. Employees taking family insurance should be required to pay \$224.00/month toward the cost of this insurance. The District should pay the remaining premium.

Signed this 3rd day of September, 2003.



Hugh J. Perry, Factfinder

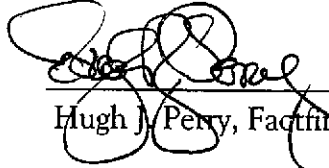
CERTIFICATE OF SERVICE

I certify that on the 3rd day of September, 2003, I served the foregoing Recommendations of Factfinder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Kevin McCombs
Bargaining Representative/Teamsters 238
1695 Burton Avenue
Waterloo, Iowa 50703

Rex Ryden
Attorney At Law
112 West Church Street
Marshalltown, Iowa 50158

I further certify that on the 3rd day of September, 2003, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, IA 50309.



Hugh J. Perry, Factfinder

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